



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

DT 08.07.2022

- **VIVO REMITTED ALMOST 50% OF TURNOVER TO CHINA TO AVOID GETTING TAXED IN INDIA:** The ED on July 7 said the Indian arm of Chinese smartphone maker Vivo "remitted" almost 50 percent of its turnover, which is Rs 62,476 crore, mainly to China in order to avoid paying taxes here. The federal probe agency also said it has seized funds worth Rs 465 crore kept in 119 bank accounts by various entities, Rs 73 lakh cash and 2 kg gold bars after its pan-India raids that were launched early this week on July 5 against Vivo Mobile India Pvt. Ltd. and its 23 associated companies. It said an ex-director of Vivo, Bin Lou, left India in 2018 after incorporating a number of companies that are now under its scanner. It alleged that "employees of Vivo India, including some Chinese nationals, did not cooperate with the search proceedings and tried to abscond, remove and hide digital devices which were retrieved by the search teams."

[Vivo remitted almost 50% of turnover to China to avoid getting taxed in India \(moneycontrol.com\)](#)

- **FM ASKS NITI AAYOG TO MAP ALL INDUSTRIAL ACTIVITIES FOR INCORPORATING THEM INTO PM GATI SHAKTI:** Finance Minister on Thursday asked the Niti Aayog to prepare a report mapping all the industrial activities such as corridors, logistics parks and pharma hubs so that they can be incorporated under the PM Gati Shakti initiative of the government. She also suggested to the shipping ministry to look at all the sea ports in the country and their linkages with industrial corridors. These suggestions were part of seven action points elaborated by the minister during the first meeting of the Apex Monitoring Authority for the National Industrial Corridor Development Programme. The PM Gati Shakti is a digital platform which aims at promoting integrated planning and coordinated implementation of infrastructure connectivity projects.

[FM asks Niti Aayog to map all industrial activities for incorporating them into PM Gati Shakti \(moneycontrol.com\)](#)



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- **FM INSTRUCTS ALL PSBS TO ONBOARD ACCOUNT AGGREGATOR SYSTEM BY JULY END** : Finance Minister Nirmala Sitharaman on Thursday instructed all the Public Sector Banks (PSBs) to onboard on account aggregator system by end of July. She said this while chairing a meeting with heads of Public Sector Banks and Regional Rural Banks (RRBs) to review Operational & Governance reforms in RRBs and performance of Kisan Credit Card (KCC) scheme for Animal Husbandry, Dairying and Fisheries. An Account Aggregator (AA) is a type of RBI-regulated entity (with an NBFC-AA license) that helps an individual securely and digitally access and share information from one financial institution they have an account with to any other regulated financial institution in the AA network. Data cannot be shared without the consent of the individual. There will be many Account Aggregators an individual can choose between. AA replaces the long terms and conditions form of 'blank cheque' acceptance with a granular, step by step permission and control for each use of your data. India's financial system involves many hassles for consumers today — sharing physical signed and scanned copies of bank statements, running around to notarise or stamp documents, or having to share your personal username and password to give your financial history to a third party. The AA network would replace all these with a simple, mobile-based, simple, and safe digital data access & sharing process. This will create opportunities for new kinds of services — for example, new types of loans. With an aim to provide the benefits of KCC loans to maximum number of farmers, a special KCC saturation drive was launched under Atma Nirbhar Bharat Abhiyan to cover 2.5 crore farmers under KCC with a credit boost of ₹2-lakh crore. It is noteworthy that as on July 1, 3.26 crore farmers (including 19.56 lakh Animal Husbandry, Dairy and Fisheries farmers) have been covered under the KCC scheme, with sanctioned credit limit of ₹3.70-lakh crore.
[FM instructs all PSBs to onboard account aggregator system by July end - The Hindu BusinessLine](#)
- **STATES SHOULD ADOPT PRUDENT BORROWING STRATEGY AND EFFICIENT CASH MANAGEMENT PRACTICES: RBI GOVERNER SAYS:** Reserve Bank of India Governor Shaktikanta Das on Thursday emphasised the need for States to adopt prudent borrowing strategy and efficient cash management practices, keeping in view the evolving macroeconomic scenarios. In its latest report on State Finances, RBI opined that in the medium-term, improvements in the fiscal position of State governments will be contingent upon reforms in the power sector as recommended by 15th Finance Commission (FC-XV) and specified by the Centre — creating transparent and hassle-free provision of power subsidy to farmers; preventing leakages; and improving the health of the power distribution companies (Discoms) by alleviating their liquidity stress in a sustainable manner. State governments should set up State Finance Commissions (SFC) at regular intervals, in line with the recommendations of FC-XV. States may also urge rural and urban local bodies to make audited accounts available online in a timely manner to access grants.
[States should adopt prudent borrowing strategy and efficient cash management practices: Das - The Hindu BusinessLine](#)



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- **Pre-PACKAGED, PRE-LABELLED FOOD ITEMS TO ATTRACT SAME RATE OF GST AS BRANDED:** Pre packaged and pre-labelled retail food items will attract GST rate at par with the branded ones, Chairman of Central Board of Indirect Taxes and Custom (CBIC) Vivek Johri said on Thursday. This means rate could be 5, 12 or 18 per cent. GST was exempted on specified food items, grains, etc when not branded, or right on the brand has been foregone. Now, GST Council, in its meeting last month, recommended a revision in the scope of exemption to exclude from it pre-packaged and pre-labelled retail pack in terms of Legal Metrology Act, including pre-packed, pre-labelled curd, lassi and butter milk. “There will be no difference between branded and unbranded retail food items,” Johri told BusinessLine. Also, exemption for items sold in loose, etc will continue. This means pre-packed and pre-labelled curd, lassi and butter milk will attract 5 per cent GST, while ghee and butter will attract GST at the rate of 12 per cent. Further, there will be clearer definition of ‘pre-packaged’, he said. “Packaging done in front of the consumer will not be a part of the new regime and if food items contained there is exempted, it will continue to do so,” he explained.

[Pre-packaged, pre-labelled food items to attract same rate of GST as branded, says CBIC Chief Johri - The Hindu BusinessLine](#)

- **EX-NITI AAYOG CEO AMITABH KANT TO REPLACE PIYUSH GOYAL AS INDIA G20 SHERPA:** The Centre on Thursday appointed Amitabh Kant, former chief executive officer (CEO) of the government’s policy think tank NITI Aayog, as India’s Sherpa for the Group of Twenty (G20) grouping, replacing Minister of Commerce and Industry Piyush Goyal.

[Ex-NITI Aayog CEO Amitabh Kant to replace Piyush Goyal as India G20 Sherpa | Business Standard News \(business-standard.com\)](#)

- **CHINA’S SHARE IN INDIA’S TOTAL IMPORTS FALLS TO 15.4 PC IN 2021-22:** The share of Chinese imports in the country’s total inbound shipments has declined to 15.4 per cent in 2021-22 from 16.5 per cent in 2020-21, sources said on Thursday. They also said the major items imported from China into India are used for meeting the demand of sectors like telecom and power. Citing some examples, they said imports like Active Pharmaceutical Ingredients (APIs) and drug formulations provide Indian pharma industry raw material for producing finished goods which are also exported. Increase in imports of information and communication technology products and medical and scientific instruments can be attributed to the surge in demand of these products during COVID-19 times. Exports to China increased marginally to USD 21.25 billion last fiscal from USD 21.18 billion in 2020-21, while imports rose to USD 94.16 billion from about USD 65.21 billion in 2020-21. India’s exports to China at USD 21.2 billion in 2021-22 were its third highest, after the US and UAE. Exports to the neighbouring country stood at USD 11.9 billion in 2014-15. Further, sources stated that imports of mobile phones from China dropped by 55 per cent to USD 626 million in 2021-22, from USD 1.4 billion in 2020-21.

[China’s share in India’s total imports falls to 15.4 pc in 2021-22 | The Financial Express](#)



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- **TATA POWER PLANS ₹75,000 CR CAPEX PUSH IN RENEWABLE ENERGY TO TAKE ON ADANI, RIL:** As rivals Adani Group and Reliance Industries (RIL) ramp up their clean energy portfolio with India transitioning to green fuels from fossil fuels, Tata Power on Thursday announced to invest over ₹75,000 crore in renewables in the next five years. The firm aims to have an electricity generation capacity of 30 GW during the same period with more than half coming from clean energy sources. Tata Power at present has a generation capacity of 13.5 GW with 34 per cent contributed by renewable energy sources.
[Tata Power plans ₹75,000 cr capex push in renewable energy to take on Adani, RIL | Mint \(livemint.com\)](#)
- **PERKS PROVIDED BY EMPLOYER TO AN EMPLOYEE NOT LIABLE TO GST:** Perquisites provided by an employer to an employee under the contractual agreement would not be subjected to goods and services tax (GST), the central board of indirect taxes and customs has clarified, which would put an end to ongoing litigations on the issue. This will be applicable from July 2017. This is part of the slew of clarifications that the Board has issued regarding decisions by the GST Council taken during the two-day meeting in Chandigarh last week. The Board has also clarified that GST payable as a result of departmental audits and assessments can be made using GST credits, instead of making cash payments, a move that will help several businesses having accumulated tax credits.
[Perks not liable to GST, CBIC clarifies | Mint \(livemint.com\)](#)
- **MASAYOSHI SON TO HEAD SOFTBANK VISION FUND 2 AS RAJEEV MISRA STEPS DOWN:** Rajeev Misra, a key aide of SoftBank CEO Masayoshi Son, is stepping down from an executive role at the Japanese conglomerate's Vision Fund 2 as he prepares to launch a new fund, sources close to the development told Business Today. Son will take up the chief executive role at SoftBank Global Advisers, the entity that manages the \$55 billion Vision fund 2 while Misra will remain as a Vice Chairman. Vision fund 2 is fully self-financed by SoftBank.
[Masayoshi Son to head SoftBank Vision Fund 2 as Rajeev Misra steps down - BusinessToday](#)
- **RAKESH JHUNJHUNWALA-OWNED AKASA AIR GETS AIRLINE LICENSE FROM DGCA:** Rakesh Jhunjunwala-owned Akasa Airlines on Thursday received its flying permit from DGCA. The Air Operator Certificate (AOC) from the country's aviation regulator will make it the eighth domestic airline, not counting regional airlines. The airline services tweeted, "We are pleased to announce the receipt of our Air Operator Certificate (AOC). This is a significant milestone, enabling us to open our flights for sale and leading to the start of commercial operations."
[akasa air: Rakesh Jhunjunwala's Akasa Air gets airline license from DGCA; will start operations in late July - The Economic Times Video | ET Now \(indiatimes.com\)](#)



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- **A JUMP IN FORWARD PREMIUMS COULD EASE PRESSURE ON RUPEE:** Pressure on the rupee is expected to ease soon with forward premiums likely rising from decadal lows after the Reserve Bank of India (RBI) this week signalled its intent of minimal future interventions in the currency-derivatives market by easing instrument-level curbs to encourage potential dollar inflows. The local unit advanced Thursday against the US dollar. "Forward premiums are bound to rise as banks would swap their deposits garnered from non-resident Indians through sell-buy forward contracts," said Bhaskar Panda, executive vice president, HDFC Bank. Actually, premiums had dropped artificially, putting pressure on the rupee's exchange rate. Rising forward premiums are more of a correction and a blessing for the rupee."

[rupee: A jump in forward premiums could ease pressure on Rupee - The Economic Times \(indiatimes.com\)](https://www.indiatimes.com/economy/news/rupee-a-jump-in-forward-premiums-could-ease-pressure-on-rupee-1015228.html)

- **CENTRE EARMARKS RS 80,000 CRORE INTEREST-FREE LOANS FOR STATES UNDERTAKING CAPITAL WORKS IN FY'23:** The Centre has earmarked Rs 80,000 crore as interest-free loans for states undertaking capital works in the current fiscal. In her 2022-23 Budget speech, Finance Minister Nirmala Sitharaman had announced the 'Special Assistance to States for Capital Investment' scheme under which total financial assistance of Rs 1 lakh crore would be given to states in the form of 50-year interest-free loans for capital investment projects. Issuing the guidelines for implementing the scheme, the finance ministry said Rs 80,000 crore is reserved for capital works to be undertaken by the states. The 'Special Assistance to States for Capital Investment' scheme also includes Rs 5,000 crore interest-free loans which would be provided to incentivise states to undertake privatisation or disinvestment of state public sector enterprises and asset monetisation. Such incentives to a particular state would be limited to Rs 1,000 crore, the expenditure department added.

[interest free loan: Centre earmarks Rs 80,000 crore interest-free loans for states undertaking capital works in FY'23 - The Economic Times \(indiatimes.com\)](https://www.indiatimes.com/economy/news/interest-free-loan-centre-earmarks-rs-80000-crore-interest-free-loans-for-states-undertaking-capital-works-in-fy23-1015228.html)



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RBI KEY RATES

Repo Rate: 4.90%

SDF: 4.65%

MSF & Bank Rate: 5.15%

Fixed Reverse Repo Rate: 3.35%

CRR: 4.50%

SLR: 18.00%

FOREX RATES (AS PER FBIL 1.30 PM)

INR / 1 USD : 79.0235

INR / 1 GBP : 94.4004

INR / 1 EUR : 80.6846

INR /100 JPY: 58.1700

EQUITY MARKET

Sensex: 54178.46 (+427.49)

NIFTY: 16132.90 (+143.10)

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